



DISASTER NEWS

Economic Injury Loans for Small Businesses

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SBA DISASTER LOAN DEADLINE IS AUGUST 29 SMALL BUSINESS OWNERS STILL HAVE TIME TO APPLY

SAGINAW, Mich. - The U.S. Small Business Administration (SBA) announced today that August 29 is the filing deadline for federal disaster loans that are available to small, non-farm, agriculture-dependent businesses located in the counties of Antrim, Arenac, Bay, Benzie, Clare, Crawford, Gladwin, Grand Traverse, Gratiot, Isabella, Kalkaska, Lake, Leelanau, Manistee, Mason, Mecosta, Midland, Missaukee, Montcalm, Muskegon, Newaygo, Oceana, Osceola, Otsego, Roscommon, Saginaw, Tuscola and Wexford in the State of Michigan.

“SBA’s disaster declaration was issued as a result of a similar action taken by the Secretary of Agriculture to help farmers recover from damages and losses to crops caused by the drought that occurred July 1 through August 17, 2004,” according to SBA Acting Disaster Area Director Frank Skaggs.

Under this declaration, SBA’s Economic Injury Disaster Loan (EIDL) program is available to small, non-farm, agriculture-dependent businesses and small agricultural cooperatives that suffered economic injury as a direct result of the weather’s effect on agricultural producers. A business that sells goods/served to agricultural producers may be unable to pay bills and/or meet expenses because of the reduced purchasing power of the farmers and ranchers. Examples of eligible businesses are, but not limited to, farm implement dealers, seed and feed stores and spraying and irrigation businesses.

Eligible small businesses may qualify for loans up to 1.5 million. These loans are available at a 2.750 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition. “Under this disaster declaration, SBA can not provide loans to agricultural producers, and cannot provide loans to non-agricultural dependent businesses, but nurseries are eligible for economic injury caused by drought condition,” Skaggs said.

“SBA can help these small businesses overcome their economic injuries by offering these working capital loans, but the help can’t start until they apply,” Skaggs added.

Interested business owners should contact the SBA Disaster Area 2 Office at One Baltimore Place, Suite 300, Atlanta, Georgia 30308, call 1-800-359-2227 or visit the website at www.sba.gov/disaster for more information or to obtain an application. The Telecommunications Device for the Deaf (TDD) and speech impaired number is (404) 347-3751.

Completed loan applications must be returned to SBA no later than August 29, 2005

For more information visit SBA’s website at www.sba.gov/disaster

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SBA Disaster Assistance Office - Area 2—One Baltimore Place, Suite 300—Atlanta, GA 30308